

3 October 2024

Global Markets Research

Daily Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – Neutral-to-Slightly Bullish

USD/MYR opened 0.08% higher at 4.1792 and surged further to 4.2177 at the point of writing. Daily outlook for the pair from current levels is neutral-to-slightly bullish as the MYR continues to take stock after the sharp rise in the currency recently. Domestically, an empty data calendar for the day ahead, and over in the US, the focus will be on the labour indicators tonight, with the monthly Challenger job cuts report and the usual weekly jobless claims numbers for the month, as well as the ISM Services index, which will provide more clues as to how the US economy ended 3Q. The pair is expected to come up against some resistance at 4.2306 (R1) and 4.2434 (R2).

1-Month Outlook – USD/MYR Neutral-to-Slightly Bullish

The USD/MYR outlook is neutral-to-slightly bullish as the pair consolidates after the recent MYR rally, which has seen it move into oversold conditions. While expectations of broad USD weakness going forward should continue to play out in the medium term, with the currency weighed down by a cooling labour prints, further signs of disinflation and a gradual weakening in economic conditions, the USD could regain some ground in the short term. The Fed reduced interest rates by 50bps at the September FOMC meeting and indicated more cuts to come this year, with the dot plot pointing to a further reduction of another 50bps for the rest of the year. The market though is pricing in nearly another three 25bps cuts for the remaining 2 FOMC meetings for the year, and an adjustment to this pricing could lend some support to the USD in the near term. Domestically, the MYR will be supported by expectations for an extended pause in the OPR.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1920	4.2049	4.2177	4.2306	4.2434

USD/SGD



USD/SGD Neutral-to-Slightly Bullish

USD/SGD opened flat at 1.2919 and traded higher in the early Asian session to stand at 1.2943 at the point of writing. Daily outlook for the pair today is neutral-to-slightly bullish, with the official PMI and Electronic Sector Index for September suggesting that the Singapore economy ended 3Q on a firm note. Support for the pair is seen at 1.2901 (S1), while resistance is likely at 1.2967 (R1).

	S2	S1	Indicative	R1	R2
USD/SGD	1.2868	1.2901	1.2943	1.2967	1.3000

MYR Crosses

SGD/MYR

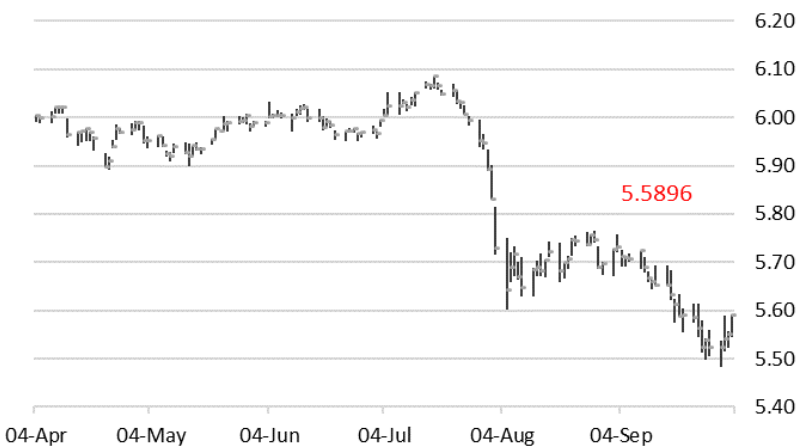


SGD/MYR Neutral

SGD/MYR opened 0.27% lower at 3.2318 but recovered all its losses and more to trade at 3.2586 at the point of writing. Daily outlook for the cross from the current levels is neutral, with not much of note in either jurisdiction for the rest of the day. Strong resistance seen at 3.2689 (R1) while support emerges below at 3.2503 (S1).

	S2	S1	Indicative	R1	R2
SGD/MYR	3.2406	3.2503	3.2586	3.2689	3.2785

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.13% lower at 5.5433 but recovered its losses and surged higher to trade at 5.5896 at the point of writing. Daily outlook from the current level is neutral, with the final UK PMIs for September due later this afternoon. Support for the cross is seen at 5.5755 (S1), while resistance above comes in at 5.6077 (R1) today.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5590	5.5755	5.5896	5.6077	5.6242

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.08% lower at 2.8772 but pared all of its losses and traded even higher to stand at 2.8956 at the point of writing. Daily outlook for the cross from here is neutral for today, with no real surprise in the Australian trade numbers for August released earlier this morning. Support is seen below at 2.8907 (S1) for the day, while the some resistance comes in above at 2.9045 (R1).

	S2	S1	Indicative	R1	R2
AUD/MYR	2.8836	2.8907	2.8956	2.9045	2.9115

Source: Bloomberg, HLBB Global Markets Research

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